C2710-1

0 14302 76871 1 49
#4B**********5-DIGIT 20814
#020190949 6#01AA04952 99UMZ
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
BETHESDA MD 20814

NEWSPAPER

Advertising Age

December 3, 1990

Crain's International Newspaper of Marketing • $2.00 • $2.50 in Canada • £3.50 in U.K.

Copyright 1990 by Crain Communications Inc.

LAST MINUTE NEWS

TWA nears choice

NEW YORK—Trans World Airlines this week will choose Avrett, Free & Ginsberg or Biederman, Kelly & Shaffer for its $45 million domestic ad account. An agency for the airline's $20 million European ad account could also be named this week. TWA named Barry Blau & Partners, Fairfield, Conn., to handle direct marketing, estimated at $5 million. Blau had handled Trump Shuttle, but the account has been inactive for at least six months. Young & Rubicam resigned the entire TWA account for cost reasons (AA, Oct. 8).

Lever sets Europe study

BRUSSELS—Lever Europe, which spends $400 million a year on advertising for the company's detergent, soap and household cleaning brands in Europe, has appointed Amsterdam-based Scan International to study the role of its ad agency networks. Most of Lever Europe's brands are aligned with Lintas:Worldwide, J. Walter Thompson Co. and Ogilvy & Mather, and that isn't expected to change. Lever Europe was set up in January to handle marketing on a European brand basis. "This means Lever is in effect moving from a country-based operation to a brand-based one, and that means agencies will have to be adapted on that basis," said Hein Becht, a partner in Scan International.

Liz likes Diamonds

NEW YORK—Unilever's Elizabeth Arden division will introduce in fall 1991 a new Elizabeth Taylor women's fragrance called White Diamonds. The company hasn't said what agency will handle the introduction. Ogilvy & Mather handled the launch of Ms.

(Continued on Page 8)

INSIDE

■ **"Creativity,"** a special *Ad Age* supplement, talks about breaking the rules with David Hale and the rest of the Burger King gang at DMB&B. "Creativity" also looks at computer technology, multimedia presentations and the New Advertising. ("Creativity" is available on request. If your issue doesn't contain it, contact *Ad Age* Circulation, 965 E. Jefferson St., Detroit 48207. 1-800-992-9970.)

Starts after P. 32

$1.1M verdict in Chilko

By Scott Hume and Ira Teinowitz

A U.S. District Court jury on Friday found DDB Needham Worldwide partly to blame for a 1987 rafting accident on the Chilko River and ordered the agency to pay $1.1 million to the family of retired executive James Fasules, who drowned on the trip.

The verdict followed more than 3 hours of deliberations, and the jury determined Mr. Fasules himself was partly to blame.

Ron Thompson, the guide hired by then DDB Needham U.S. President Al Wolfe, testified earlier in the week that he had pulled Mr. Fasules to a safe position after the accident, suggesting Mr. Fasules had apparently left that position and drowned.

William Swindal, attorney for Needham, held out hope Judge Charles Kocoras might set aside or reduce the award.

The jury actually awarded $2 million in damages, reduced to $1.1 million after determining Mr. Fasules was 45% responsible. Illinois law, under which the damages were determined, would have barred any damages if Mr. Fasules had been at least 50% responsible.

The jury awarded $1.5 million (reduced to $825,000) for losses of services and society to Mr. Fasules' widow and $50,000 (reduced to $27,500) for each of Mr. Fasules' three children. Mr. Fasules' estate got $350,000 (reduced to $192,500) for "loss of goods, pain and suffering."

The family had asked for $5 million.

"God had nothing to do with this accident. Nature had nothing to do with this accident. This accident was caused by negligence."

In closing arguments, Brian Crowe, attorney for the Fasules family, said Mr. Wolfe never adequately warned Mr. Fasules about the dangers of whitewater rafting and "negligently exercised control" over the guide for that fateful Aug. 1, 1987, excursion. Five men died when the raft struck a rock, dumping into the river 11 of the 12 men on board.

"God had nothing to do with this accident. Nature had nothing to do with this accident," Mr. Crowe said. "This accident was caused by negligence."

Mr. Swindal, chief attorney for DDB Needham, countered in his closing arguments that Mr. Fasules "was a risk taker who was aware of the risks."

Mr. Swindal also told the jury to disregard as gross overstatements Mr. Crowe's attempts to characterize Mr. Wolfe as a "macho man" who led the trip "like Rambo going through the rainforests of Southeast Asia."

"When you peel away the hyperbole, the overreaching, Needham is not responsible" for the death of Mr. Fasules, Mr. Swindal said.

Before final arguments, jurors heard Mr. Wolfe testify for a second time. He said the trip "started with a business base."

But fishing and rafting trips are chances "for people working hectic schedules to get away from all the trappings [of the business world]," he said.

Mr. Wolfe said he invited Mr. Fasules after another invitee canceled.

"I told [Mr. Fasules] there would be at least 45 minutes of the wildest and wooliest

(Continued on Page 8)

DDB Needham back with Mac

Price strategy used for Denver co-op aids $55M win

By Scott Hume

DDB Needham Worldwide last week recaptured a piece of McDonald's national account by following the strategy Leo Burnett USA used to win the account in 1981: Be patient, let McDonald's know what you can do and show your loyalty by not pursuing competitors' accounts.

DDB Needham, Chicago, won $55 million in national McDonald's Corp. business because the agency has shown, through its handling of local co-op accounts, what it could do to help the fast-food marketer's stagnant domestic sales. The business comes from Burnett, which keeps $245 million of the account.

Now that DDB Needham is in the national door, the agency can work on winning the remainder of the McDonald's account, the same method Burnett used.

McDonald's sources say work that DDB Needham's Denver office has done for the co-op there contributed to both the win and a shift in McDonald's marketing strategy.

Local ads in Denver are currently promoting a 59¢ "Any-time meal" discount program and a "59-second service guarantee" (any slower and customers get free fries). Those tactics are keeping customer counts above those in many other markets.

Following the agency announcement, McDonald's told franchisees that the company was initiating a new national "value strategy." The strategy is expected to include menu changes and deep price discounting.

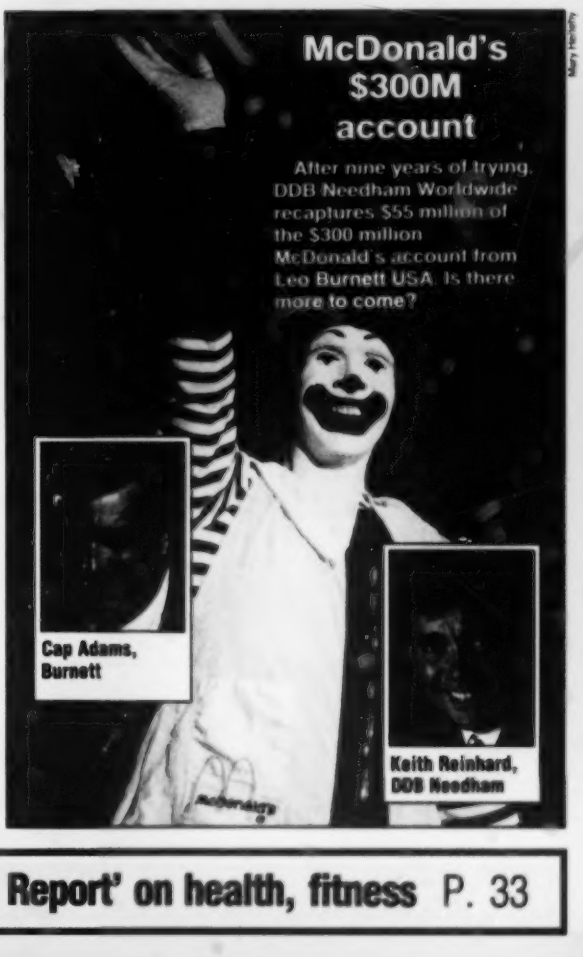
McDonald's Chief Financial Officer Jack Greenberg was quoted on the Dow Jones news wire as saying the strategy could include selective price cuts. But he denied rumors of permanent, across-the-board menu slashing.

He also said the new strategy might include portion-size decreases that would allow for price reductions without hurting profits. For example, children's Chicken McNugget Happy Meal packs could include four rather than six nuggets, at a lower price.

Analysts expect McDonald's, which last year spent roughly $300 million in the U.S. through Burnett, to spend even more heavily in 1991 to build market share and customer traffic.

The size of the assignments

(Continued on Page 60)


McDonald's $300M account
After nine years of trying, DDB Needham Worldwide recaptures $55 million of the $300 million McDonald's account from Leo Burnett USA. Is there more to come?
Cap Adams, Burnett
Keith Reinhard, DDB Needham

Agencies substitute parties with charity donations P. 4 ■ **'Special Report' on health, fitness** P. 33

NEWS SUMMARY

■ **A jury** awarded $1 million-plus damages to a widow in the Chilko River tragedy, deciding against DDB Needham. 1

■ **McDonald's** assigned about $55 million in billings to DDB Needham Worldwide, splitting the $300 million account with current agency Leo Burnett USA. 1

■ **Liquor and bottled water from Europe** face steep price hikes if the U.S. imposes punitive import duties. 3

■ **Black & Decker** is suing 20th Century Fox, charging a deal to show its cordless drill in "Die Hard 2" fell through, aborting a planned tie-in promotion. 3

■ **Bally's Health & Tennis Corp.** moved its media buying to Western International Media. Loser J. Walter Thompson USA said it suggested the move because of the financial woes at Bally's parent. 3

■ **Post division** of General Foods USA said it recorded its first cold-cereal market share gain in 10 years by "paying attention to details." 4

■ **Matsushita's** plan to buy MCA may help the Big 3 TV networks in their attempts to ease the government's financial interest and syndication rules. 10

■ **Hertz** is joining with Northwest Airlines in a frequent-flier program, reversing the company's earlier pullback from such promotions. 12

■ **Conde Nast Publications'** launch of *Allure* into the beauty magazine field next March will probably be successful despite a weakness in the market, observers say. 16

■ **Honda's agency** explains how it created its current TV spot featuring an "inflatable" Honda CRX subcompact. 20

■ **'The Sporting News'** next year will introduce new graphics and move away from a statistical record orientation in its coverage to more analytical pieces. 21

■ **Smartcars** has begun a licensing program for auto dealers to sell low-mileage former rental cars. 24

■ **Alfred T. Burke** says he quit as president of Royal Crown Cola Co. because of Chairman Victor Posner's involvement in company management. 25

■ **Cher** and actress Winona Ryder tied for most cover shots on leading magazines during November. 41

■ **Florists' Transworld** Delivery Association's new gift-giving ad campaign, with spokesman Merlin Olsen, stresses fun rather than emotion. 51

■ **Philip Morris USA** maintained its wide lead in the U.S. cigarette field, according to preliminary 1990 data from analyst John C. Maxwell Jr. 56

■ **Volvo** has been delayed in completing its investigation of a rigged TV commercial, reportedly because of uncooperative or missing witnesses. 57

■ **Procter & Gamble** defended its advertising for Citrus Hill Fresh Choice orange juice after the state of Texas said it planned to sue for "false, misleading and deceptive practices" in advertising for the product. 58

DEPARTMENTS

Ad Review	62	For the Record	57
James Brady	32	Forum	30
Brady's Bunch	44	Letters	31
Joe Cappo	32	MediaWorks	41
Classifieds	52	People Moving	44
Con-Sid-erations	28	Photo Review	48
Corrections & Clarifications	31	Sales Promotion News	40
Editorials	28	The Next Trend	32

Contents copyright 1990 by Crain Communications Inc. All rights reserved.

Vol. 61, No. 50. ADVERTISING AGE (ISSN 0001-8899) is published weekly (except special issues the fourth week in January and the fourth week in September) by Crain Communications Inc. at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Postmaster: Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.00 a copy. $76 a year, $127 two years. Add $128 per year for air delivery to Europe & Middle East. Add $64 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; DAVE KELLEY, circulation manager. Four weeks notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207-1 800 992 9970. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. AD AGE is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, Ohio 45402 (800 227 4908).

Car advertisers take bye on Super Bowl

High price, ad clutter turn off marketers

By John McManus

Automakers are turning from Super Bowl XXV in droves, though big-time ad battles between soft drinks, athletic shoes and Budweiser beers are expected.

Airlines, insurance companies and credit card marketers are also missing so far from the Jan. 27 ABC telecast.

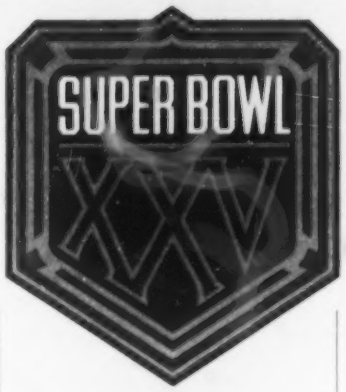
The $800,000 price tag for a 30-second commercial in a year without many new models is what's driving away U.S. and Japanese automakers.

"Sports is a bargain these days, and frankly you don't need to spend $800,000 to make a statement," said Annette Cerbone, VP-network programming in the New York office of Chiat/Day/Mojo, agency for Nissan Motor Corp USA.

"If you're only going to buy just one spot, we're starting to think it's a waste, because you get buried by the advertisers who are buying the multiple spots," she said.

By the end of last week, all but six of the 56 30-second units available had been sold out, ABC said. An undetermined number of additional units that cost dramatically less than $800,000 per :30 are available in pre-game and post-game shows.

Only two car companies had committed to buy airtime by late last week.



"Sports is a bargain these days. . . . you don't need to spend $800,000" per :30.

ABC said Volkswagen of America's Audi unit will run a :60 in the pre-game show and repeat the commercial during the game.

The network wouldn't identify the other automaker. Chrysler Corp., General Motors Corp.'s Pontiac Division, Toyota Motor Sales USA and Nissan advertised on Super Bowl XXIV last January.

"At this time last year, CBS was sold out of its game inventory but had much more available in its pre-game and post-game shows," said Jake Keever, exec VP-sales at ABC. "We've been able to protect our price of $800,000-plus and have done very well at packaging the pre- and post-game shows with our in-game inventory."

CBS sold out its commercial inventory for Super Bowl XXIV at a cost of $725,000 per :30. But in the game, the San Francisco 49ers blew out the Denver Broncos 55-10, resulting in a 39 Nielsen rating and a 63 share, making it the worst-rated Super Bowl in 20 years, though it still has been the year's most-watched program.

Audi will launch a major new campaign and theme line, said Bob Garity, manager-advertising for the importer. DDB Needham Worldwide, Chicago, is the agency.

Mr. Garity wouldn't disclose details but said the campaign will focus on "handling and control aspects" of Audi cars. Audi will follow up with a 12-page supplement in *The Wall Street Journal* later in the week.

Toyota, which bought three :30s last year, is skipping the event because it has nothing new to introduce and decided to divert money to other sports programming.

"We would rather be involved in something that gave us a little more continuity in our presence," said David Pelliccioni, Toyota's national advertising manager.

Nissan said it has no new vehi-

(Continued on Page 57)

Analysts: WPP troubled

By Laurel Wentz

LONDON—U.K. analysts are worried WPP Group could be short of money to cover covenants in loan agreements after the first quarter of 1991 if the climate for the advertising industry keeps worsening.

Chief Executive Martin Sorrell is believed to be negotiating with his U.S. and U.K. banks, which could possibly pressure him to sell assets or seek an equity partner to raise cash if covenants, or agreements, are breached. WPP declined comment.

Analysts, however, say the banks would be more likely to make WPP pay higher interest rates if covenants on interest cover and working capital can't be met.

Interest cover is the number of times operating profits cover likely interest payments. Loan agreements generally have covenants specifying the interest cover to be maintained as well as limits on working capital to be drawn.

WPP is expected to undergo an even more stringent round of rebudgeting at its operating companies, including J. Walter Thompson Co. and Ogilvy & Mather Worldwide, as Mr. Sorrell struggles to produce better numbers.

Budget meetings are scheduled today in New York with JWT and next week in London with Ogilvy & Mather.

JWT here has already fired 10% of its staff, letting 40 people go last week. In the U.S., Scali, McCabe, Sloves last month laid off 35 to 40 staffers following the loss of the $40 million Volvo Cars of North America account.

One WPP agency executive said his shop expects to be asked to review costs again.

"The banks will extract their pound of flesh. If WPP breaks [their covenants], the banks will want higher interest rates. . . ."

WPP's share price tumbled after the company warned on Nov. 19 that 1990 pretax profits will be lower than expected due to the advertising downturn in the U.S. and U.K. Analysts quickly revised pretax profit forecasts down 18.5% to about $176 million.

Despite the profit revision and higher debt—the company has had to use more working capital than expected due to the general economic slowdown—WPP shouldn't have trouble meeting its covenants on interest cover and working capital this year.

"With the high level of uncertainty about next year's profits, there's a risk [WPP's] covenants could be breached in 1991," said David Forster, an analyst at U.K. stockbroker Kleinwort Benson. "If that happens, do the banks call in their loans? The answer is it's very unlikely. They'll probably renegotiate."

Mr. Forster said if WPP does breach its covenants, it would probably happen in March or April because cash flow is weakest at the end of the first quarter.

It's still unclear what concessions banks would expect if WPP defaults on its covenants.

"The banks will extract their pound of flesh," one analyst said. "If WPP breaks [their covenants], the banks will want higher interest rates [on WPP debt] and other things."

The "other things" could include cutting WPP's dividend, which is likely in any case, the analyst said.

If WPP's financial situation worsens, the banks could pressure the company to sell assets or seek a partner, financial experts say.

Seeking an equity partner would be unpopular with shareholders because it would dilute their stakes in the company. There's been speculation Mr. Sorrell has approached Dentsu; the

(Continued on Page 62)

SPECIAL REPORT

Health & Fitness Marketing

Edited by Adrienne Ward

Americans step into a new fitness market

Population ages, walking grows in stature and equipment makers run off to find new converts

By Adrienne Ward

AD AGE GALLUP SURVEY

More people are exercising on a daily basis now than ever before, an exclusive *Adrertising Age*/Gallup Organization survey shows.

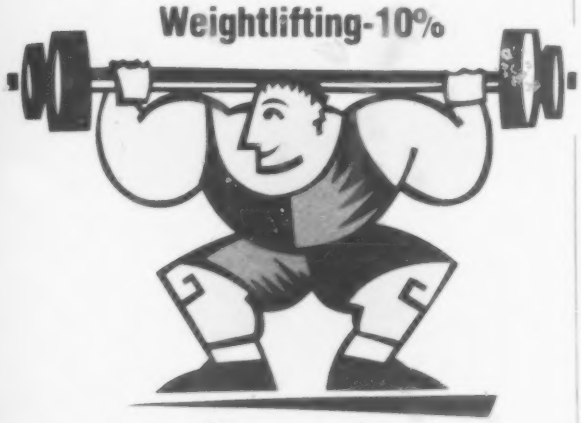
But while exercise patterns are growing, consumers are not spending much money to keep fit.

A telephone survey of 1,000 adults shows the number of Americans that do some daily activity to keep physically fit is increasing, from 44% in 1985 to 67% this year.

Walking is the top choice for 54% of respondents, while 6% cite running, 10% cycling, 8% aerobics and 10% weight lifting. Other answers cited by respondents range from swimming and calisthenics to working in the garden and chasing after the kids.

"A lot more people are walking now because they realize heavy-duty exercises are tougher on their joints," says Emrika Padus, executive editor of *Prevention*, whose data also indicate a walking boom. "Research shows that walking is just as good for an aerobic workout as many other activities."

The problem for health and fitness marketers is that walking is relatively inexpensive. Beyond a good pair of shoes and some comfortable workout clothes, consumers do not need to invest a lot of money to keep up the activity.



Weightlifting-10%

Age			Sex	
18-34	35-54	55+	Male	Female
18%	9%	2%	16%	5%

When Gallup asked respondents how much they spend on fitness or athletic equipment a year—excluding club memberships—40% of respondents said they spend nothing; 24% spend less than $100; 19% spend $101 to $250; and 6% spend $250 to $400. At the high end, 3% spend $1,000 or more a year on equipment.

Cathy Calhoun, director of advertising and PR for Wilson Sporting Goods, says her company is not feeling pinched by the walking boom.

"If everyone was gardening and walking, we wouldn't be here," she says. "I'm happy to say people are also golfing and playing tennis."

Wilson's target audience is the serious tennis player and golfer who is willing to spend the money to get the best equipment available, Ms. Calhoun says, adding the company is introducing a new tennis racket that will retail for $300, which she says is higher than any other available racket.

Cycling-10%

Age			Sex	
18-34	35-54	55+	Male	Female
11%	10%	7%	9%	10%

Many fitness experts say there's greater growth potential beyond the hard-core fitness buffs but also warn marketers will have to work harder to reach them.

Thomas Doyle, director of information and research for National Sporting Goods Association, says one in five adults exercises at least once a week, two in five don't exercise at all and two in five feel they should exercise but don't.

"That's 40% of the adult population that's an untapped market," he says.

"The most common excuse these people give is they don't have enough time, but that's a lie," he says. "Couch potatoes deep down admit they haven't motivated themselves; they blame themselves. The trick for marketers is to find the button that gets them to overcome that barrier."

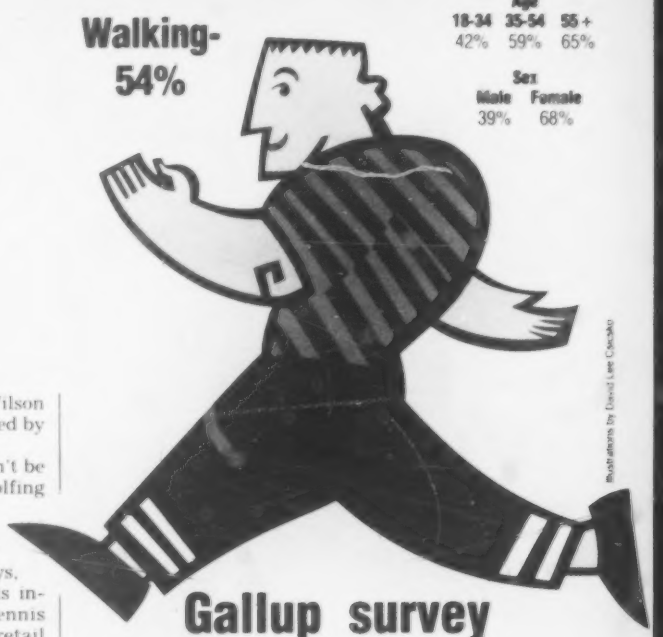
Aerobics-8%

Age			Sex	
18-34	35-54	55+	Male	Female
12%	7%	4%	3%	13%

Mr. Doyle says workout machines with feedback mechanisms, otherwise known as "bells and gadgets," are beneficial because they give immediate responses that can help people stay with something they don't like to do.

He also believes higher prices help keep people motivated.

"From a psychological point of view it's useful. Just spending more [on a piece of exercise equipment for the home] is motivation to use it. People feel guilty if they don't," Mr. Doyle says. "There are far too many [less-expensive] exercise bicycles sitting in attics."



Illustrations by David Lee Csicsko

Walking-54%

Age			Sex	
18-34	35-54	55+	Male	Female
42%	59%	65%	39%	68%

Gallup survey on U.S. health and fitness trends

The Gallup Organization surveyed 1,000 adults to find out where they stand on fitness. The results show 67% engage in some form of exercise on a daily basis, up from 44% five years ago. Walking is the No. 1 activity, followed by weight lifting, cycling, aerobics, running and playing ball. For more survey results, see Page 39.

Charles Kuntzleman, a fitness consultant and University of Michigan associate professor, says exercise marketers have generally focused on one market—young, upscale, white-collar consumers—and have ignored the rest of the market.

"We have to somehow learn how to turn the key on [the middle class]. That's where marketers have failed."

Mr. Kuntzleman also is critical of marketers who emphasize health in their ads.

"The majority of people are not motivated by health until they lose it. That's why seniors exercise—they experience a decline of sorts and so they start walking programs," he says.

Running-6%

Age			Sex	
18-34	35-54	55+	Male	Female
11%	5%	1%	10%	3%

Mr. Kuntzleman suggests marketers pitch appearance rather than health issues. But he says advertising campaigns that pitch appearance should have a sense of reality to their promises.

(Continued on Page 39)

NordicTrack plows new path P. 36 ▪ **Health clubs fight to stay with times** P. 38

Go-go '90s outpace sluggish '60s

But spending on fitness gear is nothing to get worked up about

■ Aside from any work you do at home or at a job, do you do anything on a daily basis that helps you keep physically fit?

1990	67%
1985	44%
1982	47%
1980	46%
1977	47%
1961	24%

■ How much do you spend on fitness equipment in a year, not including club memberships?

None	
18-34 years old	28%
35-54 years old	36%
55 + years old	64%
Less than $100	
18-34 years old	25%
35-54 years old	27%
55 + years old	18%
$100 to less than $250	
18-34 years old	23%
35-54 years old	20%
55 + years old	11%
$250 to less than $400	
18-34 years old	8%
35-54 years old	7%
55 + years old	1%
$400 to less than $550	
18-34 years old	8%
35-54 years old	5%
55 + years old	2%
$550 to less than $700	
18-34 years old	1%
35-54 years old	1%
55 + years old	0%
$700 to less than $850	
18-34 years old	1%
35-54 years old	1%
55 + years old	-%
$850 to less than $1,000	
18-34 years old	1%
35-54 years old	0%
55 + years old	0%
$1,000 or more	
18-34 years old	5%
35-54 years old	3%
55 + years old	1%
Don't know	
18-34 years old	1%
35-54 years old	1%
55 + years old	2%

■ Which of the following media do you use as a primary source of fitness information?

	Yes	No
Newspapers		
18-34 years old	38%	62%
35-54 years old	48%	52%
55 + years old	53%	47%
Magazines		
18-34 years old	66%	34%
35-54 years old	66%	34%
55 + years old	55%	44%
Cable TV		
18-34 years old	42%	58%
35-54 years old	36%	64%
55 + years old	36%	63%
Network TV		
18-34 years old	41%	59%
35-54 years old	44%	56%
55 + years old	47%	53%

■ Which of the following is a primary source of fitness information?

	Yes	No
Doctor		
18-34 years old	37%	63%
35-54 years old	44%	56%
55 + years old	50%	50%
Books		
18-34 years old	45%	55%
35-54 years old	48%	52%
55 + years old	39%	61%

Source: The Gallup Organization

Stepping in

(Continued from Page 33)

"The message has to have truth, that change is not going to happen overnight," he says.

Many sources in the fitness industry cite Nike's "Just Do It" campaign as an example of how to move people from inactivity to activity without making false promises or offering unrealistic goals.

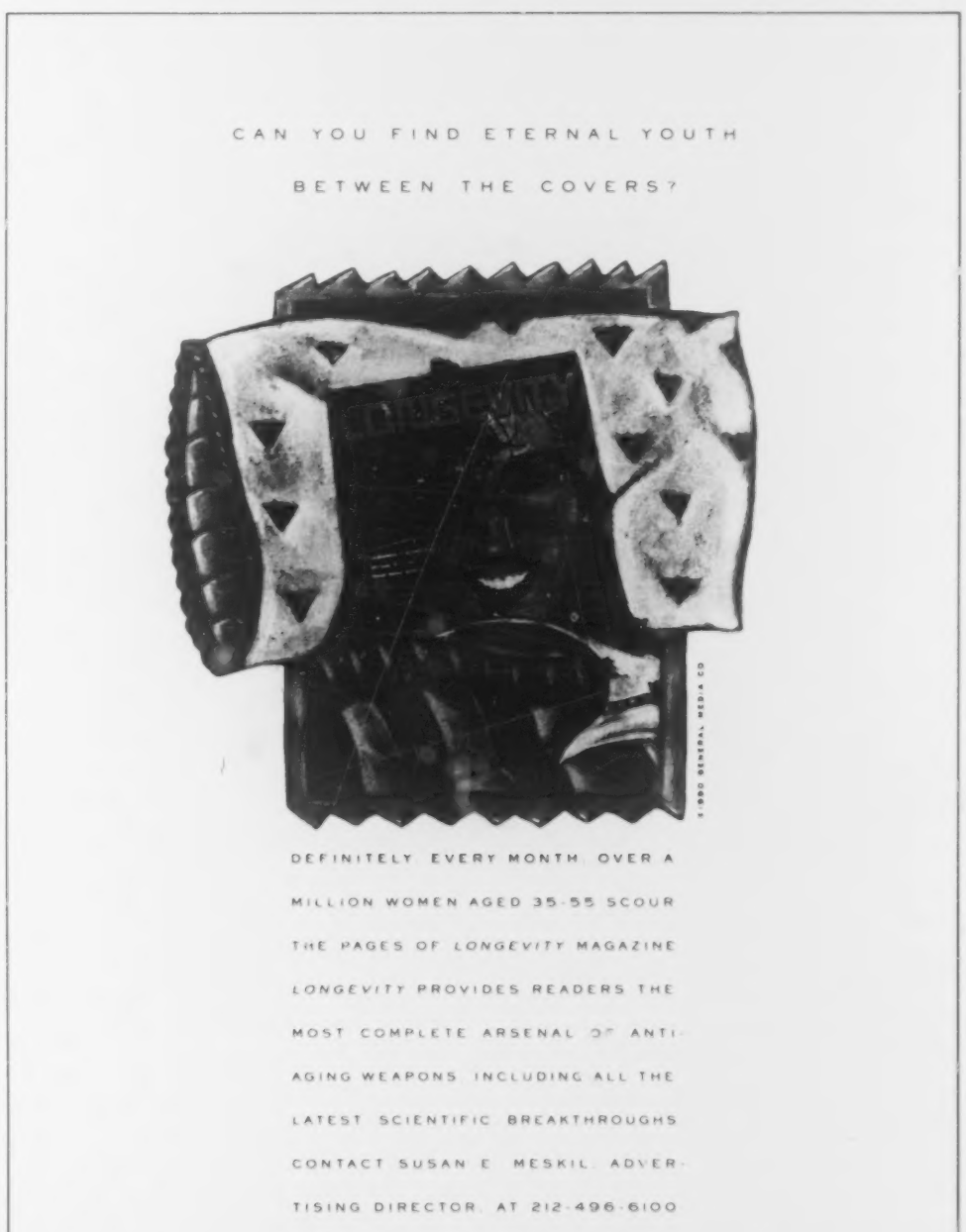
"It appeals to hard-core fitness enthusiasts and also to the fence sitters," Mr. Kuntzleman says. "Instead of emphasizing a real vigorous body, the message is just stop talking about it."

David Lee Csicsko

Organized ball teams-4%

Age			Sex	
18-34	35-54	55 +	Male	Female
9%	2%	0%	6%	2%

The *Ad Age*/Gallup survey indicated many Americans are interested in fitness routines beyond traditional sports and workouts. Some of the non-traditional daily workouts cited were: gardening/yard work, housecleaning and watching the kids, which each received up to 4% of responses. □


CAN YOU FIND ETERNAL YOUTH
BETWEEN THE COVERS?
DEFINITELY. EVERY MONTH, OVER A
MILLION WOMEN AGED 35-55 SCOUR
THE PAGES OF LONGEVITY MAGAZINE.
LONGEVITY PROVIDES READERS THE
MOST COMPLETE ARSENAL OF ANTI-
AGING WEAPONS, INCLUDING ALL THE
LATEST SCIENTIFIC BREAKTHROUGHS.
CONTACT SUSAN E. MESKIL, ADVER-
TISING DIRECTOR, AT 212-496-6100
LONGEVITY MAGAZINE. THE PRACTICAL GUIDE TO THE ART AND SCIENCE OF STAYING YOUNG.

Health clubs

(Continued from Page 38)

ford to join these exclusive clubs doesn't aspire to be somebody else, says Darren Hodgdon, exec VP-marketing for Sporting Clubs of America, which owns 11 high-end clubs.

Marc Onigman, publisher of *Club Industry*, estimates 30 million Americans belong to health clubs, up from about 20 million five years ago. In the same time period, the number of health facilities has increased 20% to about 30,000 currently.

But the current figures are illusory because they don't include people who work out in corporate or residential health facilities or members of not-for-profit YMCAs and YWCAs, he says.

One way the industry has attempted to reach new audiences is to emphasize fitness as a stress reducer and general health enhancer, Mr. McCarthy says.

"The '90s appeal is on being your best in all parts of your life, so we'll see more and more clubs addressing stress, weight and other mature adult issues," he says.

However, some people want to be where the bodies are.

For them, Bally's Health & Tennis Corp. continues to tout its 311 U.S. clubs with well-sculpted celebrities. Sheena Easton, Don Johnson and Shari Belafonte are currently celebrity spokes-physiques.

Sports Club Co., with eight clubs in southern California, features stunning models in ads for its five Sports Connection facilities.

"L.A. is basically a body market," says Sports Club VP and cofounder Nanette Pattee Francini. "In other markets they can talk about the de-stressing and the cardiovascular equipment. Our people are into those things, but the main point is how they look." □

Dennis Rodkin is a free-lance writer in Des Moines, Iowa.

DMA to publish green handbook

By Alison Fahey

Direct mailers, and catalogers in particular, are getting green.

By the start of next year, the Direct Marketing Association will publish guidelines on how its members—major users of paper and ink products—can implement environmentally responsible practices.

This is the first result of the DMA's Task Force on Environmental Issues, formed last year to investigate ways direct marketers can be more environmentally conscious.

The booklet, called the "DMA Environmental Resource for Direct Marketers," urges the 3,600 member companies to "reduce, reuse and recycle." It encourages direct marketers to clean up mailing lists, establish in-house recycling programs, use recycled and/or recyclable paper and packaging, reduce paper waste and support the development of recycled paper markets.

"Initially, environmentalists were quick to single out direct mail as a target as being anti-environmental," said Chet Dalzell, the DMA's director of public relations. "However, a lot of the same groups have realized that they, too, rely heavily on direct mail, and instead of taking a confrontational approach, they are beginning to participate with us."

But the DMA acknowledges there are several obstacles for direct mailers. Switching to recycled paper stock may diminish the quality of photographs in catalogs, and there's a limited supply of recycled paper in the U.S.

Still, the obstacles haven't deterred direct mailers from experimenting with green programs.

Some marketers are printing portions of their catalogs on paper with recycled content, including Eddie Bauer Inc., L.L. Bean Inc. and Roberta Fortune's Almanac. Others, including Esprit de Corps, MacConnection, Patagonia and Seventh Generation have been able to print the entire catalog on paper with recycled content.

Other efforts under way include:

- L.L. Bean next spring will publish a specialty catalog printed on 50% recycled fiber. The cataloger is already shipping orders of certain sizes in recycled and reusable cartons. In addition, L.L. Bean last year formed "Outdoor Volunteer Opportunities," a program that encourages consumers to volunteer in the outdoors. The company promotes the program in its catalogs.
- Times Mirror Magazines, publisher of nine national magazines including *Field & Stream* and *Golf Magazine*, has formed an internal committee of editors and corporate staff to investigate using combinations of recycled paper for sections in the company's magazines.
- Esprit, an apparel cataloger, has been using recycled paper stock since early this year. The company's latest catalog urges consumers to "Live with the earth in mind."
- Williams-Sonoma, Pottery Barn, Hold Everything, Gardener's Den and Chamber's are encouraging their customers to reuse materials used for shipping and packaging. These catalogers have switched to a polystyrene plastic foam that doesn't harm the ozone layer.
- Roberta Fortune's Almanac, which stopped using polystyrene foam in packaging three years ago, recently donated catalog space to publish environmental tips for consumers. The company is also sending tree seed packets with each order. □

Lotto's winning numbers

Ohio Lottery employs data-base marketing

By Ira Teinowitz

The Ohio Lottery is hoping it can boost sales by adopting data-base marketing.

In an apparent first for state lotteries, the Ohio Lottery is using direct mail couponing to put together not only a list of lottery players but demographic information about their playing habits.

Depending on how well the mailing works, players will be targeted for later direct marketing based on the data.

"We are trying to capture the names of our players," said Shel Green, exec VP of Integrated Target Marketing, Westlake, Ohio, which handles the effort.

Marcus Advertising, Cleveland, is the lottery's ad agency.

"We are one of the lotteries that is maturing, so we are preparing for the future," said Ron Nabakowski, lottery director, who added that the targeting will be especially helpful in luring higher-income players.

"We have started off in the position of being accused of regressive taxation [by appealing to poorer people]," he said. "We want to continue marketing aimed outside of blue-collar to offer entertainment and recreation to groups that don't traditionally do lotteries."

Several of the 33 states with lotteries have previously offered coupon discounts, and some have tried direct marketing programs, including Illinois. But none has built a demographic data base.

"Direct data bases is the wave of the future," said Eugene M. Christiansen, a gambling industry consultant at Christiansen, Cummings & Associates.

"The gambling industry, with the exception of some resorts, is woefully behind the rest of the economy because they don't have data bases," he said. "What the Ohio Lottery is doing is developing one."

In early November, the lottery mailed 300,000 pieces to state residents with one of three offers. Some were offered a buy-one-get-one-free coupon worth $1. Others were offered a free instant game with the purchase of a lottery ticket or a free lottery ticket with the purchase of two instant games.

The mailing also tested two creative packages.

All the coupons asked those using them to fill out a short questionnaire on the back. Among the questions: number of people in the household, the types of lottery games played and how often and favorite sports.

Mr. Green said the lottery hopes to be able to use the information for future targeting.

"We hope to be able to judge the results and to market new games and pick new subjects based on the results," he said. "We want to be smarter about who our customers are."

One immediate focus may be developing a list for a planned lottery subscription drive, though Mr. Green said he hopes to see the lottery go further. □

CARDS
OHIO LOTTERY
CARDS is, quite simply, the easiest daily game you've ever played. You pick 4 cards, one of each suit. If all 4 match the nightly drawing (which is every night except Sunday), you win $1000. Match 3 and win $100. Or match 2 and win $10.
If it sounds simple, that's because it is. And to prove it, we're giving you a hand — 1 free CARDS play (see enclosed letter for complete details). And to find out how easy it is to play CARDS, see the back of this brochure.
INTRODUCING CARDS, THE OHIO LOTTERY'S NEW DAILY GAME.

The Ohio Lottery may hit the jackpot with its data base.

Ad Council enlists mailers

By Alison Fahey

The Advertising Council for the first time is enlisting the direct mail industry's help for its public service campaigns.

The Ad Council, the Direct Marketing Association and the U.S. Postal Service will team next year for a cooperative initiative called "Mail for Good Causes."

"There is an opportunity for enormous levels of frequency to augment what we get with other media," said Ruth Wooden, Ad Council president. "It can also help build reach for our messages."

The program initially calls for mailers to provide distribution channels for the Ad Council's work on behalf of non-profit causes and organizations. Later, the companies might be asked to donate paper and printing services, said Lisa Caugherty, director of the DMA's Shop-At-Home Information Center.

Many of the DMA's 3,600 member companies already promote non-profit causes independently. In the past, the Ad Council has worked with individual direct mail companies, such as Advo-System.

But the medium as a whole hasn't been a part of the Ad Council's media mix, which already includes all other major media.

"Direct mail is the last large medium to uncover. It had not been aggressively pursued" by the Ad Council or the direct mail industry.

"Direct mail is the last large medium to uncover," Ms. Wooden said. "It had not been aggressively pursued by us or by" the direct mail industry.

She added the Ad Council has been contacted by about 50 direct mail companies that are interested in participating in the program.

The program will start next spring with Spiegel. The cataloger plans to insert a message in merchandise shipped to customers.

Different strategies will be tested with different mailers. In addition to inserts in merchandise, another possibility would be bill stuffers.

The Ad Council doesn't know yet how many pieces of direct mail will be involved, Ms. Wooden said, but "if 'Mail for Good Causes' is a part of even a small percentage of this country's direct mail, we can deliver important messages to millions more Americans."

In 1989, direct mailers distributed 62.8 billion pieces of third-class mail, the DMA said.

Young & Rubicam's Wunderman Worldwide direct response unit, New York, is the volunteer agency of record for "Mail for Good Causes."

Wunderman is designing the logo and will work with the Ad Council's other agencies to adapt ad messages to direct mail. □

May Advertising Age be of service?

A. To Enter or Renew Your Subscription . . .

☐ CHECK HERE for a full year of Ad Age, 52 weeks of advertising marketing news and information wherever it's happening. Just $76, the basic rate.

Europe & Middle East add $126 per year for air delivery. All other foreign add $54 per year for surface postage.

☐ New ☐ Renewal ☐ Payment enclosed
☐ Bill me ☐ Bill company

NAME (PLEASE PRINT)

TITLE

COMPANY

NATURE OF BUSINESS

☐ HOME OR ☐ BUSINESS ADDRESS

CITY STATE ZIP

B. To Change Your Address . . .

☐ CHECK HERE and print your new address **above.** If available, please attach the mailing label from your most recent issue to this form. Allow 4 weeks for change to be made.

C. To Ask a Question About Your Subscription . . .

☐ CHECK HERE and attach the mailing label from your most recent issue to this form and mail to us with your question(s). This will avoid delays and allow us to serve you better.

MAIL FORM TO: Subscription Manager Advertising Age
965 E. Jefferson Detroit, MI 48207
Or Call Toll-Free 1-800-992-9970

4XA24

ATTACH LABEL HERE
for subscription inquiries or change of address

NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

Cov. 1, Pgs: 1, 2, 16, S10,

40, 46, 62